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What has the Tax Centre of Excellence been working on?

We have been working in conjunction with HMRC and the Cabinet Office on providing supplementary guidance for Grants and VAT. We are working on VAT treatment of property transactions between GDs and the Government Property Unit, and the treatment of VAT under MOTO agreements. We are looking to publish these shortly on the Tax CoE webpage and within the Cabinet Office (Grants) guidance.

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Public Expenditure System (PES) Guidance – Amendment

The PES paper, which is the full guidance for the preparation of 17/18 Annual Report and Accounts, has now been published and shared by HMT to all Government Departments. Please note: There is a small error in paragraph 19.4 relating to the reporting for Off Payroll appointments, where the wording doesn't apply for 17/18: 'Whom assurance has been requested but not received'.

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Termination Payments

Significant changes to the income tax and National Insurance Contributions (NIC) treatment of termination payments made to employees are being introduced. Please see the changes for both employers and employees [here](#). Most of the changes are due to come into effect from April 2018, however others are planned for April 2019.

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Change to HMRC Policies for Behaviour Based Penalties

HMRC has added a further test when determining penalties for inaccuracies. They will now take into account the length of time it has taken the employer to correct or disclose the inaccuracy when establishing the quality of a disclosure. Read the Compliance Check Factsheet [here](#).

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Making Tax Digital

Businesses will be required to use the 'Making Tax Digital' system to meet their VAT obligations from April 2019. This is an opportunity to understand and prepare for the changes and raise any questions or concerns. Please see the draft VAT Notice [here](#).

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VAT and Vouchers Consultation

Following on from last month's announcement about an HMRC Consultation on VAT and Vouchers, if you have any comments on this please send them through to us and we will do a consolidated return to HMRC. The period of consultation closes on the 23rd February 2018.

Don't forget to regularly visit our Tax CoE [website](#) which contains lots of other useful guidance and documentation.

Once more, we welcome feedback on this month's Bulletin and if there are any topics that you would like to see covered in the future. Email us [here](#).